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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	GEN Docket No. 90-314
)	ET Docket No. <u>92-100</u>
Amendment of the Commission's Rules)	
to Establish New Personal)	
Communications Services)	

REPLY COMMENTS

Freeman Engineering Associates, Inc. ("Freeman"), by its attorneys, hereby submits its reply comments in the captioned proceeding.

Some commentators have advocated the use of 50 KHz channels only, and the aggregation of these channels into larger channel groups after a lottery has been held to award a license. Freeman believes that this approach would stifle the availability to the public of innovative broadband services. If the Commission is to allocate 50 KHz channels, then it should also allocate at least one 150 KHz channel in each market area. Smaller companies using innovative techniques which require broader bandwidth may not have the financial resources to purchase the additional channels to be able to implement their plans. In this scenario, some areas of the country might wind up with all the 50 KHz channels being used by individual companies, and no one wishing to assign their licenses to a carrier wishing to acquire 150 KHz of spectrum.

Indeed, a proper implementation of regulations designed to discourage speculation could preclude carriers from acquiring the 150 KHz of spectrum needed to establish broadband operations if only 50 KHz channels are allocated. If, for example, the licensees

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of 50 KHz channels are required to construct and operate their systems before being able to assign their licenses, carriers desiring to aggregate 50 KHz channels into 150 KHz of spectrum for the provision of broadband services would be encumbered by facilities unsuitable to their proposed method of operation.

To obtain the 150 KHz of bandwidth that it needs, Freeman will require three adjacent 50 KHz channels, rather than just random 50 KHz channels. The need to aggregate channels in this matter imposes an undue burden on the type of systems that Freeman has proposed in its request for a pioneer's preference since Freeman would be required to obtain three specific 50 KHz channels that are adjacent to each other. Therefore, Freeman believes that restricting the channel allocation to only 50 KHz (or 25 KHz) channels, and allowing aggregation only after the licenses have been awarded is impractical and will not allow broadband technology to be implemented. Therefore, both narrowband and broadband channels should be allocated by the Commission in this proceeding.

PageNet has urged that the Commission grant licenses through competitive bidding. However, competitive bidding procedures are not authorized under the Communications Act of 1934, as amended.

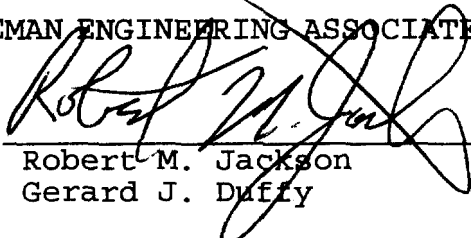
In addition, it should be emphasized that Freeman is strongly opposed to awarding licenses through a bidding process because such a procedure could preclude small innovative companies, which have been the hallmark of American progress, from obtaining the licenses needed to offer new and innovative communications services. Awarding licenses through competitive bidding could result in the licenses being awarded only to high risk takers, and companies with

deep pockets, or companies which have a vested interest in seeing that competing technologies are not fostered in the marketplace. Innovative smaller companies -- which have generally been able to bring service to the marketplace much quicker -- would be precluded from obtaining licenses. Historically, new communications technologies and services in the paging industry have been fostered by smaller companies, with larger companies entering the market only after the feasibility of the technology and services has been proven by the operations of the smaller carriers. For example, in the New Orleans area, South Central Bell Telephone Company did not enter the paging business until many years after Radiofone, Inc. (an affiliate of Freeman) and its predecessor companies established the first paging system there. Similar patterns have been experienced in other areas of the country. Until the 1980's (when smaller paging companies were acquired by larger carriers), the majority of successful paging companies were small, entrepreneurial enterprises. The creative entrepreneurial initiative should not be precluded by the adoption of competitive bidding, which would make their entry into the marketplace impractical. The Commission should take note that Freeman is a small company, but its request for a pioneer's preference shows significant innovation and application of technology which brings a new service to the public which was not contemplated by any other applicant. Freeman makes use of wideband channels to transmit significantly more data (in the form of data, paging messages and otherwise) than any other applicant. It is spectrally efficient, and it is a forward looking idea which should not be overlooked by the Commission.

Respectfully submitted,

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